

AMENDED IN ASSEMBLY MAY 31, 2001

AMENDED IN ASSEMBLY MAY 1, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1299

Introduced by Assembly Member Leonard

February 23, 2001

~~An act to amend Section 17072.25 of, and to add Part 70 (commencing with Section 100700) to, the Education Code, relating to public education funding, by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately. An act relating to educational facilities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1299, as amended, Leonard. Public education *facility* funding: ~~Bond Act of 2002.~~

Under existing law, the Public Education Facilities Bond Act of 1996 provides for the issuance, pursuant to the State General Obligation Bond Law, of bonds in an amount not to exceed \$2,025,000,000 and the expenditure of the proceeds therefrom to provide aid to school districts, county superintendents of schools, and county boards of education in accordance with the Leroy F. Greene State School Building Lease-Purchase Law of 1976 and related school facilities programs.

Under existing law, the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998

provides for the issuance of state general obligation bonds in an amount not to exceed \$9,200,000,000, exclusive of refunding bonds issued pursuant to that act.

~~This bill would enact the _____ Bond Act of 2002, which would provide for the issuance of state general obligation bonds in an amount not to exceed \$10,000,000,000, exclusive of refunding bonds issued pursuant to that act.~~

~~The bill would provide that \$6,000,000,000 would be deposited in the State School Facilities Fund and be available to provide aid to school districts, county superintendents of schools, and county boards of education. The bill would provide that \$4,000,000,000 would be deposited in the 2002 Higher Education Capital Outlay Bond Fund, which would be created by the bill. The bill would alter the priority system for new construction funding under the Leroy F. Greene School Facilities Act of 1998 to base it upon the availability of new construction funding or the actual amount of unallocated funding available on or after July 1, 2004.~~

~~This bill would provide for the submission to the voters of the _____ Bond Act of 2002 at the March 5, 2002, statewide primary election.~~

~~The bill would declare that it is to take effect immediately as an urgency statute.~~

This bill would state the Legislature's intent to continue to provide funding for the construction and modernization of schools providing education to pupils in kindergarten to 12th grade, and to enact a funding distribution formula that addresses the needs of California institutions providing public higher education.

Vote: ~~2/3~~ majority. Appropriation: no. Fiscal committee: ~~yes~~ no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.—Section 17072.25 of the Education Code is~~
 2 *SECTION 1. The Legislative Analyst has estimated that, for*
 3 *the next 10 years, the need for school construction funds to provide*
 4 *education to pupils in kindergarten to 12th grade will be over*
 5 *sixteen billion dollars (\$16,000,000,000). In 1998, California's*
 6 *voters enacted Proposition 1 A that established a four-year*
 7 *funding schedule for schools that provide education for pupils in*
 8 *kindergarten to 12th grade. It is the intent of the Legislature to*
 9 *continue this commitment to provide state funding for construction*

1 *and modernization of schools providing education to pupils in*
2 *kindergarten to 12th grade.*

3 *It is further the intent of the Legislature to address the facility*
4 *needs of the California Community Colleges and the respective*
5 *campuses of the California State University and the University of*
6 *California, by enacting a funding distribution formula that*
7 *adequately addresses the needs of each of these systems of public*
8 *higher education.*

9 ~~amended to read:~~

10 ~~17072.25. (a) The board shall adopt regulations to develop a~~
11 ~~mechanism to rank approved applications for new construction~~
12 ~~funding. This mechanism shall be used to determine the priority~~
13 ~~of approved applications when either of the following conditions~~
14 ~~are met:~~

15 ~~(1) The total state funds necessary for funding all approved~~
16 ~~new construction projects pursuant to this chapter exceed the total~~
17 ~~state funds in the new construction subaccount within the fund for~~
18 ~~allocation pursuant to this chapter.~~

19 ~~(2) The actual amount of unallocated proceeds of state bonds~~
20 ~~available on or after July 1, 2004, for new construction for the~~
21 ~~purposes of this chapter is at three hundred million dollars~~
22 ~~(\$300,000,000).~~

23 ~~(b) The ranking mechanism shall allocate priority points based~~
24 ~~upon the percentages of currently and projected unhoused pupils~~
25 ~~relative to the total population of the applicant district or~~
26 ~~attendance area and the total number of currently and projected~~
27 ~~unhoused pupils in an applicant district or attendance area.~~

28 ~~(c) The board may award priority points based on other factors~~
29 ~~that in its judgment result in the most equitable distribution of~~
30 ~~resources among applicants. The additional factors may not~~
31 ~~constitute greater than a 10-percent weight in the overall priority~~
32 ~~ranking.~~

33 ~~SEC. 1.5. Part 70 (commencing with Section 100700) is~~
34 ~~added to the Education Code, to read:~~

PART 70. ~~_____~~ BOND ACT OF 2002CHAPTER 1. ~~GENERAL PROVISIONS~~

~~100700. This part shall be known and may be cited as the _____ Bond Act of 2002.~~

~~100710. The incorporation of, or reference to, any provisions of California statutory law in this part includes all acts amendatory thereof and supplementary thereto.~~

~~100715. (a) Bonds in the total amount of ten billion dollars (\$10,000,000,000), not including the amount of any refunding bonds issued in accordance with Chapter 2 (commencing with Section 100730) and Chapter 3 (commencing with Section 100820), or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.~~

~~(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 and the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.~~

~~100720. For purposes of this part, "Chapter 12" means Chapter 12 (commencing with Section 17000) of Part 10 and "Chapter 12.5" means Chapter 12.5 (commencing with Section 17070.10) of Part 10.~~

CHAPTER 2. ~~KINDERGARTEN THROUGH 12TH GRADE~~Article 1. ~~Kindergarten Through 12th Grade School Facilities Program Provisions~~

~~100730. (a) Six billion dollars (\$6,000,000,000) of the proceeds of bonds issued and sold pursuant to this part shall be~~

1 deposited in the 1998 State School Facilities Fund, which is
2 established by Section 17070.40, and allocated by the State
3 Allocation Board pursuant to this chapter, as set forth in
4 subdivision (b).

5 (b) Up to three billion dollars (\$3,000,000,000) of the amount
6 authorized pursuant to subdivision (a) shall be deposited into the
7 2002 Account, which is hereby established within the 1998 State
8 School Facilities Fund, for allocation commencing January 1,
9 2002, as follows:

10 (1) Up to _____ dollars (\$_____) of the amount authorized in
11 subdivision (b) shall be deposited into the new construction
12 subaccount, which is hereby established within the 2002 Account,
13 for allocation for new construction projects.

14 (2) Up to _____ dollars (\$_____) of the amount authorized in
15 subdivision (b) shall be deposited into the modernization
16 subaccount, which is hereby established within the 2002 Account,
17 for allocation for modernization projects.

18 (3) Up to _____ dollars (\$_____) of the amount authorized in
19 subdivision (b) shall be deposited into the hardship subaccount,
20 which is hereby established within the 2002 Account, for
21 allocation for new construction hardship projects or
22 modernization hardship projects.

23 (c) Up to three billion dollars (\$3,000,000,000) of the amount
24 authorized pursuant to subdivision (a) shall be deposited into the
25 2004 Account, which is hereby established within the 1998 State
26 School Facilities Fund for allocation commencing January 1,
27 2004, as follows:

28 (1) Up to _____ dollars (\$_____) of the amount authorized in
29 subdivision (c) shall be deposited into the new construction
30 subaccount, which is hereby established within the 2004 Account,
31 for allocation for new construction projects.

32 (2) Up to _____ dollars (\$_____) of the amount authorized in
33 subdivision (c) shall be deposited into the modernization
34 subaccount, which is hereby established within the 2004 Account,
35 for allocation for modernization projects.

36 (3) Up to _____ dollars (\$_____) of the amount authorized in
37 subdivision (c) shall be deposited into the hardship subaccount,
38 which is hereby established within the 2004 Account, for
39 allocation for new construction hardship projects or
40 modernization hardship projects.

~~100735. (a) All moneys deposited in the 1998 State School Facilities Fund pursuant to this chapter shall be available and, notwithstanding any other provision of law to the contrary, are hereby appropriated to provide aid to school districts of the state in accordance with the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 12 (commencing with Section 17000) of Part 10) and in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with Section 100740, to provide funds to repay any money advanced or loaned to the 1998 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.~~

~~(b) The bonds issued and sold pursuant to this chapter shall fund kindergarten and grades 1 to 12, inclusive, school constructions for a four-year period.~~

~~100740. Of the proceeds from the sale of bonds pursuant to this chapter, not more than two hundred million dollars (\$200,000,000) shall be used for charter schools.~~

~~Article 2. Kindergarten Through 12th Grade School Facilities
Fiscal Provisions~~

~~100750. (a) Bonds in the total amount of six billion dollars (\$6,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 100730, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.~~

~~(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee~~

1 established pursuant to Section 15909 at any different times
2 necessary to service expenditures required by the apportionments.

3 ~~100755. The State School Building Finance Committee,~~
4 ~~established by Section 15909 and composed of the Governor, the~~
5 ~~Controller, the Treasurer, the Director of Finance, and the~~
6 ~~Superintendent of Public Instruction, or their designated~~
7 ~~representatives, all of whom shall serve thereon without~~
8 ~~compensation, and a majority of whom shall constitute a quorum,~~
9 ~~is continued in existence for the purpose of this chapter. The~~
10 ~~Treasurer shall serve as chairperson of the committee. Two~~
11 ~~Members of the Senate appointed by the Senate Committee on~~
12 ~~Rules, and two Members of the Assembly appointed by the~~
13 ~~Speaker of the Assembly, shall meet with and provide advice to the~~
14 ~~committee to the extent that the advisory participation is not~~
15 ~~incompatible with their respective positions as Members of the~~
16 ~~Legislature. For the purposes of this chapter, the Members of the~~
17 ~~Legislature shall constitute an interim investigating committee on~~
18 ~~the subject of this chapter and, as that committee, shall have the~~
19 ~~powers and duties imposed upon those committees by the Joint~~
20 ~~Rules of the Senate and the Assembly. The Director of Finance~~
21 ~~shall provide the assistance to the committee as it may require. The~~
22 ~~Attorney General of the state is the legal adviser of the committee.~~

23 ~~100760. (a) The bonds authorized by this chapter shall be~~
24 ~~prepared, executed, issued, sold, paid, and redeemed as provided~~
25 ~~in the State General Obligation Bond Law (Chapter 4~~
26 ~~(commencing with Section 16720) of Part 3 of Division 4 of Title~~
27 ~~2 of the Government Code), and all of the provisions of that law,~~
28 ~~except Section 16727 of the Government Code, apply to the bonds~~
29 ~~and to this chapter, and are hereby incorporated in this chapter as~~
30 ~~though set forth in full in this chapter.~~

31 ~~(b) For purposes of the State General Obligation Bond Law, the~~
32 ~~State Allocation Board is designated the “board” for purposes of~~
33 ~~administering the 1998 State School Facilities Fund.~~

34 ~~100765. Upon request of the State Allocation Board from~~
35 ~~time to time, supported by a statement of the apportionments made~~
36 ~~and to be made for the purposes described in Sections 100735 and~~
37 ~~100740, the State School Building Finance Committee shall~~
38 ~~determine whether or not it is necessary or desirable to issue bonds~~
39 ~~authorized pursuant to this chapter in order to fund the~~
40 ~~apportionments and, if so, the amount of bonds to be issued and~~

~~1 sold. Successive issues of bonds may be authorized and sold to
2 fund those apportionments progressively, and it is not necessary
3 that all of the bonds authorized to be issued be sold at any one time.~~

~~4 100770. There shall be collected each year and in the same
5 manner and at the same time as other state revenue is collected, in
6 addition to the ordinary revenues of the state, a sum in an amount
7 required to pay the principal of, and interest on, the bonds each
8 year. It is the duty of all officers charged by law with any duty in
9 regard to the collection of the revenue to do and perform each and
10 every act which is necessary to collect that additional sum.~~

~~11 100775. Notwithstanding Section 13340 of the Government
12 Code, there is hereby appropriated from the General Fund in the
13 State Treasury, for the purposes of this chapter, an amount that will
14 equal the total of the following:~~

~~15 (a) The sum annually necessary to pay the principal of, and
16 interest on, bonds issued and sold pursuant to this chapter, as the
17 principal and interest become due and payable.~~

~~18 (b) The sum necessary to carry out Section 100790,
19 appropriated without regard to fiscal years.~~

~~20 100780. The State Allocation Board may request the Pooled
21 Money Investment Board to make a loan from the Pooled Money
22 Investment Account or any other approved form of interim
23 financing, in accordance with Section 16312 of the Government
24 Code, for the purpose of carrying out this chapter. The amount of
25 the request shall not exceed the amount of the unsold bonds that
26 the committee, by resolution, has authorized to be sold for the
27 purpose of carrying out this chapter. The board shall execute any
28 documents required by the Pooled Money Investment Board to
29 obtain and repay the loan. Any amounts loaned shall be deposited
30 in the fund to be allocated by the board in accordance with this
31 chapter.~~

~~32 100785. Notwithstanding any other provision of this chapter,
33 or of the State General Obligation Bond Law, if the Treasurer sells
34 bonds pursuant to this chapter that include a bond counsel opinion
35 to the effect that the interest on the bonds is excluded from gross
36 income for federal tax purposes, subject to designated conditions,
37 the Treasurer may maintain separate accounts for the investment
38 of bond proceeds and for the investment earnings on those
39 proceeds. The Treasurer may use or direct the use of those
40 proceeds or earnings to pay any rebate, penalty, or other payment~~

1 ~~required under federal law or take any other action with respect to~~
2 ~~the investment and use of those bond proceeds required or~~
3 ~~desirable under federal law to maintain the tax-exempt status of~~
4 ~~those bonds and to obtain any other advantage under federal law~~
5 ~~on behalf of the funds of this state.~~

6 ~~100790. For the purposes of carrying out this chapter, the~~
7 ~~Director of Finance may authorize the withdrawal from the~~
8 ~~General Fund of an amount not to exceed the amount of the unsold~~
9 ~~bonds that have been authorized by the State School Building~~
10 ~~Finance Committee to be sold for the purpose of carrying out this~~
11 ~~chapter. Any amounts withdrawn shall be deposited in the 1998~~
12 ~~State School Facilities Fund consistent with this chapter. Any~~
13 ~~money made available under this section shall be returned to the~~
14 ~~General Fund, plus an amount equal to the interest that the money~~
15 ~~would have earned in the Pooled Money Investment Account,~~
16 ~~from proceeds received from the sale of bonds for the purpose of~~
17 ~~carrying out this chapter.~~

18 ~~100795. All money deposited in the 1998 State School~~
19 ~~Facilities Fund that is derived from premium and accrued interest~~
20 ~~on bonds sold shall be reserved in the fund, and shall be available~~
21 ~~for transfer to the General Fund as a credit to expenditures for bond~~
22 ~~interest.~~

23 ~~100800. The bonds may be refunded in accordance with~~
24 ~~Article 6 (commencing with Section 16780) of Chapter 4 of Part~~
25 ~~3 of Division 4 of Title 2 of the Government Code, which is a part~~
26 ~~of the State General Obligation Bond Law. Approval by the voters~~
27 ~~of the state for the issuance of the bonds described in this chapter~~
28 ~~includes the approval of the issuance of any bonds issued to refund~~
29 ~~any bonds originally issued under this chapter or any previously~~
30 ~~issued refunding bonds.~~

31 ~~100805. The Legislature hereby finds and declares that,~~
32 ~~inasmuch as the proceeds from the sale of bonds authorized by this~~
33 ~~chapter are not “proceeds of taxes” as that term is used in Article~~
34 ~~XIII B of the California Constitution, the disbursement of these~~
35 ~~proceeds is not subject to the limitations imposed by that article.~~
36

CHAPTER 3. ~~HIGHER EDUCATION FACILITIES~~Article 1. ~~Program Provision~~

~~100820. The Legislature finds and declares all of the following:~~

~~(a) California's economic and social prosperity relies on a higher education system that keeps pace with California's growth. In the coming decades, the state's economic prosperity will depend on increasing the productivity of the workforce and on the ability to compete successfully in the world marketplace.~~

~~(b) The system of public higher education in this state includes the University of California, the Hastings College of the Law, the California State University, the California Community Colleges, and their respective off-campus centers. Each of these institutions plays a vital role in maintaining California's dominance in higher education in the United States.~~

~~(c) Over the last several years, studies have been completed by the California Postsecondary Education Commission, the University of California, the California State University, and the California Community Colleges to assess their long-term and short-term capital needs. Those studies demonstrate that the long-term and short-term needs total, in the aggregate, several billion dollars.~~

~~(d) Proceeds from the sale of bonds issued and sold pursuant to this chapter may be used to fund construction on existing or new campuses and off-campus centers, including the construction of buildings and the acquisition of related fixtures, the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not necessarily limited to, preliminary plans and working drawings at the University of California, the Hastings College of the Law, the California State University, and the California Community Colleges.~~

~~(e) The purposes of this article include assisting in meeting the capital outlay financing needs of California's public higher education system.~~

1 ~~100825. Four billion dollars (\$4,000,000,000) of the~~
2 ~~proceeds of bonds issued and sold pursuant to this part shall be~~
3 ~~deposited in the 2002 Higher Education Capital Outlay Bond~~
4 ~~Fund, which is hereby established in the State Treasury. These~~
5 ~~funds shall be available for expenditure when appropriated, and~~
6 ~~shall be allocated as follows:~~

7 ~~(a) _____ dollars (\$____) for the University of California.~~

8 ~~(b) _____ dollars (\$____) for the California State University.~~

9 ~~(c) _____ dollars (\$____) for the California Community~~
10 ~~Colleges.~~

11 ~~100830. The Higher Education Facilities Finance Committee~~
12 ~~established pursuant to Section 67353 is hereby authorized to~~
13 ~~create a debt or debts, liability or liabilities, of the State of~~
14 ~~California pursuant to this chapter for the purpose of providing~~
15 ~~funds to aid the University of California, the Hastings College of~~
16 ~~the Law, the California State University, and the California~~
17 ~~Community Colleges.~~

18
19 ~~Article 2. Higher Education Fiscal Provisions~~
20

21 ~~100840. (a) Bonds in the total amount of four billion dollars~~
22 ~~(\$4,000,000,000), not including the amount of any refunding~~
23 ~~bonds issued in accordance with Section 100800, or so much~~
24 ~~thereof as is necessary, may be issued and sold to provide a fund~~
25 ~~to be used for carrying out the purposes expressed in this chapter~~
26 ~~and to reimburse the General Obligation Bond Expense Revolving~~
27 ~~Fund pursuant to Section 16724.5 of the Government Code. The~~
28 ~~bonds, when sold, shall be and constitute a valid and binding~~
29 ~~obligation of the State of California, and the full faith and credit~~
30 ~~of the State of California is hereby pledged for the punctual~~
31 ~~payment of the principal of, and interest on, the bonds as the~~
32 ~~principal and interest become due and payable.~~

33 ~~(b) Pursuant to this section, the Treasurer shall sell the bonds~~
34 ~~authorized by the Higher Education Facilities Finance Committee~~
35 ~~established pursuant to Section 67353 at any different times~~
36 ~~necessary to service expenditures required by the apportionments.~~

37 ~~100845. (a) The bonds authorized by this chapter shall be~~
38 ~~prepared, executed, issued, sold, paid, and redeemed as provided~~
39 ~~in the State General Obligation Bond Law (Chapter 4~~
40 ~~(commencing with Section 16720) of Part 3 of Division 4 of Title~~

1 ~~2 of the Government Code), and all of the provisions of that law,~~
2 ~~except Section 16727 of the Government Code, apply to the bonds~~
3 ~~and to this chapter and are hereby incorporated in this chapter as~~
4 ~~though set forth in full in this chapter.~~

5 ~~(b) For the purposes of the State General Obligation Bond Law,~~
6 ~~each state agency administering an appropriation of the 2002~~
7 ~~Higher Education Capital Outlay Bond Fund is designated as the~~
8 ~~“board” for projects funded pursuant to this chapter.~~

9 ~~(c) The proceeds of the bonds issued and sold pursuant to this~~
10 ~~chapter shall be available for the purpose of funding aid to the~~
11 ~~University of California, the Hastings College of the Law, the~~
12 ~~California State University, and the California Community~~
13 ~~Colleges, for the construction on existing or new campuses, and~~
14 ~~their respective off-campus centers, including the construction of~~
15 ~~buildings and the acquisition of related fixtures, renovation, and~~
16 ~~reconstruction of facilities, for the acquisition of sites upon which~~
17 ~~these facilities are to be constructed, for the equipping of new,~~
18 ~~renovated, or reconstructed facilities, which equipment shall have~~
19 ~~a useful life of at least 10 years, to provide funds for payment of~~
20 ~~preconstruction costs, including, but not limited to, preliminary~~
21 ~~plans and working drawings.~~

22 ~~100850.—The Higher Education Facilities Finance Committee~~
23 ~~established pursuant to Section 67353 shall authorize the issuance~~
24 ~~of bonds under this chapter only to the extent necessary to fund the~~
25 ~~apportionments for the purposes described in this chapter that are~~
26 ~~expressly authorized by the Legislature in the annual Budget Act.~~
27 ~~Pursuant to that legislative direction, the committee shall~~
28 ~~determine whether or not it is necessary or desirable to issue bonds~~
29 ~~authorized pursuant to this chapter in order to carry out the~~
30 ~~purposes described in this chapter and, if so, the amount of bonds~~
31 ~~to be issued and sold. Successive issues of bonds may be~~
32 ~~authorized and sold to carry out those actions progressively, and~~
33 ~~it is not necessary that all of the bonds authorized to be issued be~~
34 ~~sold at any one time.~~

35 ~~100855.—There shall be collected each year and in the same~~
36 ~~manner and at the same time as other state revenue is collected, in~~
37 ~~addition to the ordinary revenues of the state, a sum in an amount~~
38 ~~required to pay the principal of, and interest on, the bonds each~~
39 ~~year. It is the duty of all officers charged by law with any duty in~~

1 regard to the collection of the revenue to do and perform each and
2 every act which is necessary to collect that additional sum.

3 ~~100860. Notwithstanding Section 13340 of the Government~~
4 ~~Code, there is hereby appropriated from the General Fund in the~~
5 ~~State Treasury, for the purposes of this chapter, an amount that will~~
6 ~~equal the total of the following:~~

7 ~~(a) The sum annually necessary to pay the principal of, and~~
8 ~~interest on, bonds issued and sold pursuant to this chapter, as the~~
9 ~~principal and interest become due and payable.~~

10 ~~(b) The sum necessary to carry out Section 100875,~~
11 ~~appropriated without regard to fiscal years.~~

12 ~~100865. The board, as defined in subdivision (b) of Section~~
13 ~~100845, may request the Pooled Money Investment Board to make~~
14 ~~a loan from the Pooled Money Investment Account or any other~~
15 ~~approved form of interim financing, in accordance with Section~~
16 ~~16312 of the Government Code, for the purpose of carrying out~~
17 ~~this chapter. The amount of the request shall not exceed the amount~~
18 ~~of the unsold bonds that the committee, by resolution, has~~
19 ~~authorized to be sold for the purpose of carrying out this chapter.~~
20 ~~The board, as defined in subdivision (b) of Section 100845, shall~~
21 ~~execute any documents required by the Pooled Money Investment~~
22 ~~Board to obtain and repay the loan. Any amounts loaned shall be~~
23 ~~deposited in the fund to be allocated by the board in accordance~~
24 ~~with this chapter.~~

25 ~~100870. Notwithstanding any other provision of this chapter,~~
26 ~~or of the State General Obligation Bond Law, if the Treasurer sells~~
27 ~~bonds pursuant to this chapter that include a bond counsel opinion~~
28 ~~to the effect that the interest on the bonds is excluded from gross~~
29 ~~income for federal tax purposes, subject to designated conditions,~~
30 ~~the Treasurer may maintain separate accounts for the investment~~
31 ~~of bond proceeds and for the investment earnings on those~~
32 ~~proceeds. The Treasurer may use or direct the use of those~~
33 ~~proceeds or earnings to pay any rebate, penalty, or other payment~~
34 ~~required under federal law or take any other action with respect to~~
35 ~~the investment and use of those bond proceeds required or~~
36 ~~desirable under federal law to maintain the tax-exempt status of~~
37 ~~those bonds and to obtain any other advantage under federal law~~
38 ~~on behalf of the funds of this state.~~

39 ~~100875. (a) For the purposes of carrying out this chapter, the~~
40 ~~Director of Finance may authorize the withdrawal from the~~

1 General Fund of an amount not to exceed the amount of the unsold
2 bonds that have been authorized by the Higher Education Facilities
3 Finance Committee to be sold for the purpose of carrying out this
4 chapter. Any amounts withdrawn shall be deposited in the 2002
5 Higher Education Capital Outlay Bond Fund consistent with this
6 chapter. Any money made available under this section shall be
7 returned to the General Fund, plus an amount equal to the interest
8 that the money would have earned in the Pooled Money
9 Investment Account, from proceeds received from the sale of
10 bonds for the purpose of carrying out this chapter.

11 (b) Any request forwarded to the Legislature and the
12 Department of Finance for funds from this bond issue for
13 expenditure for the purposes described in this chapter by the
14 University of California, the California State University, or the
15 California Community Colleges shall be accompanied by the
16 five-year capital outlay plan. Requests forwarded by a university
17 or college shall include a schedule that prioritizes the seismic
18 retrofitting needed to significantly reduce, by the 2004-05 fiscal
19 year, in the judgment of the particular university or college,
20 seismic hazards in buildings identified as high priority by the
21 university or college. Requests forwarded by the California
22 Community Colleges shall be accompanied by a five-year capital
23 outlay plan reflecting the needs and priorities of the community
24 college system, prioritized on a statewide basis.

25 100880. All money deposited in the 2002 Higher Education
26 Capital Outlay Bond Fund that is derived from premium and
27 accrued interest on bonds sold shall be reserved in the fund and
28 shall be available for transfer to the General Fund as a credit to
29 expenditures for bond interest.

30 100885. The bonds may be refunded in accordance with
31 Article 6 (commencing with Section 16780) of Chapter 4 of Part
32 3 of Division 4 of Title 2 of the Government Code, which is a part
33 of the State General Obligation Bond Law. Approval by the voters
34 of the state for the issuance of the bonds described in this chapter
35 includes the approval of the issuance of any bonds issued to refund
36 any bonds originally issued under this chapter or any previously
37 issued refunding bonds.

38 100890. The Legislature hereby finds and declares that,
39 inasmuch as the proceeds from the sale of bonds authorized by this
40 chapter are not "proceeds of taxes" as that term is used in Article

~~XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.~~

~~SEC. 2.— Section 1.5 of this act shall take effect upon the adoption by the voters of the _____ Bond Act of 2002, as set forth in Section 1.5 of this act.~~

~~SEC. 3.— Section 1.5 of this act shall be submitted to the voters at the March 5, 2002, statewide primary election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measure to the voters.~~

~~SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: “_____ Bond Act of 2002,” and in the same square under those words, the following in eight-point type: “This act provides for a bond issue of ten billion dollars (\$10,000,000,000) to provide funds for public education.” Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they voted for or against the act.~~

~~When the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters’ choice by means thereof are in compliance with this section.~~

~~SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:~~

~~In order to allow adequate time to prepare ballot materials for the submission of the _____ Bond Act of 2002 to the voters at the March 5, 2002, statewide primary election, it is necessary that this act take effect immediately.~~